

SECRET

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

NIC 0191-83
10 January 1983

National Intelligence Council

MEMORANDUM FOR: Gaston Sigur
National Security Council Staff

Walt Raymond
National Security Council Staff

FROM: David D. Gries
National Intelligence Officer for East Asia

SUBJECT: Visit of Japanese Prime Minister Nakasone

The following memorandum addresses Nakasone's objectives and tactics. It also assesses the likely Japanese reaction to various US responses.

Nakasone's objectives

Charismatic, given to bold moves, Nakasone nevertheless lacks a secure base in Japanese politics. His LDP faction is one of the smallest. As his selection of Cabinet members confirms, he is heavily dependent on former Prime Ministers Tanaka and Suzuki for support. [REDACTED]

[REDACTED]
[REDACTED] Nakasone could experience difficulty in strengthening his political base because he has a reputation for opportunism among the powerful Japanese media and in some LDP circles. He has already come under public criticism from Foreign Minister Abe for "jumping the gun."

It is against this backdrop that Nakasone has decided to visit Washington sooner than has been usual recently for new Japanese Prime Ministers. His aim is to demonstrate that he has the ability to manage relations with the United States, including the ability to establish a personal relationship with the President.

SECRET

SECRET

Nakasone's objectives are to:

- gain political strength in Japan as a consequence of a successful visit to Washington; and
- defuse US diplomatic and political pressure on bilateral issues in the near-term. Thus he must:
 - blunt protectionist sentiments in the US.
 - obtain a public Presidential endorsement of free trade principles.
 - obtain US recognition of his personal commitment to an improved Japanese self-defense capability, but also of politically dictated limitations on defense spending.

Attached to this Memorandum is Nakasone's public description of the objectives of his trip to Washington. These were given in an article in the Japanese press in early January.

Laying the groundwork

To promote realization of these objectives, Nakasone has taken a number of steps in advance of the visit designed to soften American criticism of Japanese trade and defense policy.

- A new basket of tariff cuts was made public in December.
- The Japan Defense Agency has announced agreement on a 6.5% increase in defense spending.
- 25X1
- Nakasone will visit Seoul before visiting Washington and in a bold gesture is expected to solve the longstanding dispute between Japan and South Korea over a Japanese aid package.
- the Japanese will soon announce strengthening of the trade Ombudsman, study standards revision and possibly increase access to the cigarette market. 25X1
- According to the Japanese press, Nakasone will support a joint US-Japanese study of sealane defense.
- Nakasone has arranged to be interviewed by Dan Rather for the CBS Evening News. This is intended to demonstrate to the Japanese

SECRET

SECRET

that he can appeal directly to Americans on their terms and in their language.

- The Japanese are taking careful soundings of US opinion to gauge the success of all of these measures. They are likely to make last minute adjustments if needed.

Implications for the US

US actions taken to assure a successful visit will be well received by Nakasone, who is far more sympathetic to US policies than was Suzuki. On the other hand, a warm US welcome may mislead Nakasone into concluding that the politically costly steps taken in advance of the visit on trade and defense issues are sufficient to satisfy the US at least over the next year. Since these steps broke little new ground on market access and defense spending issues, they are unlikely to have much impact on Washington.

Knowing that he badly needs a successful visit for political reasons, Nakasone is susceptible to quiet, behind the scenes US pressure to do more on outstanding trade problems than is presently contemplated. Accordingly, he is likely to respond to entreaties that the steps announced so far fall short of expectations.

The Trade Issue

- More than most of his predecessors, Nakasone is a horse trader. He will try to respond positively to American requests for relief on specific trade irritants so long as he is offered something in return. An example is the standards issue. Progress here would be truly market opening and measurable.
- The Japanese, though fearful of protectionist legislation in Congress, still appear to underestimate its strength. With the trade imbalance in CY 1983 likely to exceed the huge imbalance of 1982, Nakasone may respond to warnings that these pressures are irresistible without his help.
- An invitation to meet the President in Washington in May is one means of maintaining pressure on the trade issue that could also benefit Nakasone politically. Although they are already scheduled to meet at the May Economic Summit in Williamsburg, Nakasone could use the prospect of a separate May meeting in Washington to prod the Japanese government into making additional concessions.
- Nakasone would benefit from a forceful rebuttal of the now widespread Japanese view of trade frictions which is that they are a product of the US economic recession. Nakasone allied himself with this view in a 6 January interview when he said that high unemployment in the US created frictions with Japan.

SECRET

SECRET

The Defense and Security Issue

- Nakasone will respect US efforts to hold him to commitments made by his predecessors, such as Suzuki's commitments to double overseas development assistance by 1985 and attain a self-defense capability by 1990.

Improved Coordination

- The Japanese have learned to expect different treatment from different elements of the US government. In this circumstance, a coordinated, consistent US message delivered to the Nakasone party by all US counterparts is likely to have the greatest impact.
- A recommendation to hold bi-annual Cabinet-level discussions between 3 or 4 US Cabinet secretaries and their Japanese counterparts would serve two purposes: provide the US with a forum in which to address policy-level disputes; and enhance Nakasone's political image in Japan.
- A US pledge actively to discourage anti-Japanese public statements by US officials and legislators would be well received and might enhance Japanese flexibility on other points.



David D. Gries

Attachment
As stated

SECRET